



**Austin City Council
MINUTES**

**WORKSESSION
WEDNESDAY, MAY 22, 2002**

The following represents the actions taken by the Austin City Council in the order they occurred during the meeting. While the minutes are not in sequential order, all agenda items were discussed.

The City Council of Austin, Texas convened in a Worksession on Wednesday, May 22, 2002 at One Texas Center, 505 Barton Springs Road, third floor training room, Austin, Texas.

Mayor Garcia called the meeting to order at 10:14 a.m.

1. Discussion and possible action regarding the City Manager's preparation of the Fiscal Year 2002-2003 Operating and Capital Budgets.
City Manager Toby Futrell did the introduction for the budget review process. She announced that the budget retreats are not intended to completely balance the budget, but to get more direction from Council. That direction will be incorporated into the budget proposed in July.

The presentation was given by Vicki Schubert, Acting Finance Director, and Rudy Garza, Budget Officer.

1. The motion to approve the recommendation that 50% of the beginning balance for FY02-03 be utilized to fund expenditures in FY03 and the remaining 50% be maintained in the ending balance of FY03 passed on Council Member Wynn's motion, Mayor Garcia's second by a 7-0 vote.
2. The motion to approve the recommendation to use excess revenue to fund one-time costs such as equipment maintenance backlogs, implementation of new systems or Capital Improvement Projects passed on Mayor Pro Tem Goodman's motion, Council Member Slusher's second by a 7-0 vote.
3. The motion to approve the recommendation to increase the FY02-03 Electric Utility transfer to a maximum rate of 9.1% passed on Council Member Slusher's motion, Mayor Garcia's second by a 7-0 vote.
4. The motion to approve the recommendation to establish a reserve of \$33 million as a safeguard against the loss of Disproportionate Share Funding to provide for three years of funding of the clinic system and related health care costs passed on Mayor Pro Tem Goodman's motion, Mayor Garcia's second by a 7-0 vote.

5. The motion to approve the recommendation to increase fees to bring them more into line with cost of service; and add new fees for specialized services or programs which are currently being provided at no cost to users passed on Council Member Slusher's motion, Mayor Garcia's second by a 7-0 vote.
6. The motion to approve the recommendation, based on a critical need assessment, that only 50% of the frozen vacant positions be funded in the fiscal year FY02-03 budget (and to eliminate number of positions required in order for general fund to realize savings of 50%) passed on Council Member Slusher's motion, Council Member Alvarez' second by a 7-0 vote.
7. The motion to approve the recommendation that the Water Utility transfer should be increased to a rate of 9.1% in the FY02-03, generating an estimated addition of \$2.1 million passed on Mayor Pro Tem Goodman's motion, Council Member Thomas' second by a 6-1 vote. Council Member Wynn voted no. Council directed that this be reviewed further prior to inclusion into the proposed budget. The City Manager will discuss with the Council during one-on-one meetings.
8. The motion to authorize the City Manager to reduce the funding for vehicle replacements by at least 50%, (based on critical needs replacement in FY02-03) resulting in a potential savings of \$3.5 million, passed on Council Member Thomas' motion, Council Member Wynn's second by a 7-0 vote.
9. The motion to approve the recommendation that the proposed budget include departmental or functional consolidations, where efficiencies due to consolidations have been identified, and that the consolidations should be done in such a way as to avoid layoffs, passed on Council Member Griffith's motion, Council Member Thomas' second by a 7-0 vote.
10. The motion to approve the recommendation that the City Manager include adjustments to reduce the current Pay For Performance pay package, resulting in a potential \$3.8 million, passed on Council Member Slusher's motion, Council Member Wynn's second by a 7-0 vote.

The recommendation to consider fee waivers for FY02-03 be suspended and by Council direction the suspension of fee waivers may begin prior to the beginning of FY02-03.

Mayor Garcia recessed the meeting at 12:23 p.m.

Mayor Garcia called the meeting back to order at 1:15 p.m.

11. The motion to approve the recommendation to determine the funding level for social service agencies by giving priority for funding to outside agencies who can "leverage" the City's funding (i.e., agencies that do not depend entirely on the City for funding, and those that provide the Community Action Network (CAN) designated basic needs). Further, that the Community Action Network (CAN) be able to take recommendations to a

working group, to look at problems and offer comments and recommendation if the City should leave funds static and before Council takes action. These recommendations were approved on Mayor Pro Tem Goodman's motion, Council Member Slusher's second by a 6-0 vote. Council Member Wynn was off the dais.

There was a recommendation to set funding levels for affordable housing; returning the funding to the FY01-02 level of \$1 million plus an additional \$1 million from the contribution established in resolution 000907-72. Also, the approximate \$1 million for the 40% incremental tax revenue will continue, for a total of \$2.1 million for FY03. Council directed staff to take this item to the Housing Task Force for their review and input.

There was a recommendation and discussion to evaluate policies governing incentives for Smart Growth; and that the Smart Growth infrastructure investment and waivers be suspended until Council revisits criteria and goals for their use. Council directed staff to take this item to the Economic Development Group for their review and input.

There was a discussion regarding Library Services, City Call Center, Strategic Partnerships with Springwoods MUD, Public Safety staffing proposals, and delaying facilities and major capital purchases. No decisions were reached.

It was recommended for the other items outlined in Appendix B, that Council Member Slusher's matrix be used to look at the ways of addressing shortfalls and to let Council know the best items to be delayed until the next fiscal year.

There was a presentation about Employee Benefits Review by Tommy Tucker, Assistant Director, Human Resources; Debra Dollins, Benefits Finance Manager; Dee Hernandez, Benefits Manager; and Michael Rodriguez, Consultant for Towers Perrin.

There was a recommendation that for FY02-03 the current approved nominal property tax rate of .4597 should be maintained for operations, and that the increased of .0138 cents be utilized towards debt services. The increase in property assessed valuations have lowered the actual tax rate required for debt service; to a total of .4735.

The motion to adjourn the meeting at 3:05 p.m. was approved on Council Member Griffith's motion, Mayor Pro Tem Goodman's second by a 7-0 vote.